

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 756 - SB 698

March 25, 2011

SUMMARY OF BILL: Requires the Commissioner of Commerce and Insurance (TDCI) to develop a reporting plan for the Department to track and study the costs of civil litigation in Tennessee as compared to the costs of civil litigation in other states and the federal legal system where discovery of insurance limits is permitted. Requires TDCI to submit an annual report summarizing the reporting plan findings to the Speakers of the Senate and House of Representatives. Requires any cost incurred by TDCI in implementing the reporting plan to be paid from TDCI Insurance Division reserves.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$12,400/One-Time
\$177,000/Recurring**

Assumptions:

- TDCI will hire one Administrative Services Assistant (ASA) Manager at a recurring increase in state expenditures of \$87,180 (\$54,400 salary + \$17,780 benefits + \$15,000 administrative costs). TDCI will hire one Legal Associate (ASO) at a recurring increase in state expenditures of \$76,604 (\$46,100 salary + \$15,504 benefits + \$15,000 administrative costs).
- TDCI will purchase office equipment for the two new employees. The result will be a one-time increase in state expenditures of \$12,400 (\$1,700 computers + \$1,900 printer + \$4,700 laptop + \$1,200 laptop printer + \$2,900 remote connection costs).
- The employees will incur travel expenses resulting in a recurring increase in state expenditures of \$10,000 (\$5,000 travel x 2 employees).
- TDCI will provide supplies and telephones, which will result in a recurring increase in state expenditures of \$3,200 [(\$600 supplies + \$1,000 phone) x 2 employees].

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh